

Remarks on Financial Regulatory Reform Legislation and an Exchange With Reporters

June 25, 2010

The President. Good morning, everybody. In a few moments I'll depart for Canada to take part in a summit with the G–8 and the G–20 nations. This is the third G–20 summit we've held since I was sworn in as President.

At our first meeting in London, with the world in the grips of the worst financial crisis of our time, we acted boldly and swiftly to bring our economy back from the brink. At our second meeting in Pittsburgh, with our recovery beginning to take hold, we agreed to work to pursue a balanced pattern of global growth, and repair our financial systems.

This weekend, in Toronto, I hope we can build on this progress by coordinating our efforts to promote economic growth, to pursue financial reform, and to strengthen the global economy.

We need to act in concert for a simple reason: This crisis proved and events continue to affirm that our national economies are inextricably linked. And just as economic turmoil in one place can quickly spread to another, safeguards in each of our nations can help protect all nations.

I'm gratified we've made great progress towards enacting these safeguards here at home. Because of the incredibly hard work of Chairman Dodd and Chairman Frank and the strong leadership of Chairwoman Lincoln and Chairman Peterson and the great efforts of the conferees and members of both parties—who were up very late last night—we are poised to pass the toughest financial reform since the ones we created in the aftermath of the Great Depression. Early this morning the House and Senate reached an agreement on a set of Wall Street reforms that represents 90 percent of what I proposed when I took up this fight.

Now let me be clear: Our economic growth and prosperity depend on a strong, robust financial sector, and I will continue to do what I can to foster and support a dynamic private sector. But we've all seen what happens when there's inadequate oversight and insufficient transparency on Wall Street. The reforms making their way through Congress will hold Wall Street accountable so we can help prevent another financial crisis like the one that we're still recovering from.

We'll put in place the toughest consumer financial protections in our history, while creating an independent agency to enforce them. Through this agency, we'll combine under one roof the consumer protection functions that currently are divided among half a dozen different agencies. Now there will be one agency whose sole job will be to look out for you.

Credit card companies will no longer be able to mislead you with pages and pages of fine print. You will no longer be subject to all kinds of hidden fees and penalties or the predatory practices of unscrupulous lenders. Instead, we'll make sure that credit card companies and mortgage companies play by the rules. You'll be empowered with easy-to-understand forms, so you know what you're agreeing to. And you'll have the clear and concise information you need to make financial decisions that are best for you and your family.

Wall Street reform will also strengthen our economy in a number of other ways. We'll make our financial system more transparent by bringing the kinds of complex deals that help trigger this crisis, like trades in a \$600 trillion derivatives market, into the light of day. We'll enact the Volcker rule to make sure that banks protected by the safety net of the FDIC can't engage in risky trades for their own profit. And we'll create what's called a resolution authority to help wind down firms whose collapse would threaten our entire financial system. No longer will we have companies that are, quote, "too big to fail".

Over the last 17 months, we've passed an economic Recovery Act, health insurance reform, education reform, and we are now on the brink of passing Wall Street reform. And at the G-20 summit this weekend, I'll work with other nations not only to coordinate our financial reform efforts, but to promote global economic growth while ensuring that each nation can pursue a path that is sustainable for its own public finances.

As the main forum for international economic cooperation, the G-20 is the right place to discuss such issues. And over the last few days, I hope we can build on our past progress and strengthen the global economy for a long time to come.

Thank you very much, everybody.

Senate Bipartisanship on the Financial Regulatory Reform Bill

Q. Can you get the bill through the Senate?

The President. You bet.

NOTE: The President spoke at 8:52 a.m. on the South Lawn at the White House. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Categories: Addresses and Remarks : Financial regulatory reform legislation; Interviews With the News Media : Exchanges with reporters :: White House.

Locations: Washington, DC.

Names: Dodd, Christopher J.; Frank, Barney; Lincoln, Blanche Lambert; Peterson, Collin C.

Subjects: Business and industry : Banks and financial institutions :: Proprietary trading, proposed prohibition; Business and industry : Credit cards, regulations and consumer protections; Business and industry : Home loan industry; Canada : Group of Eight (G-8) summit in Muskoka; Canada : Group of Twenty (G-20) summit in Toronto; Canada : President Obama's visit; Commerce, international : Global financial markets :: Stabilization efforts; Commerce, international : Global financial markets :: Unrest; Commerce, international : Group of Eight (G-8) nations; Commerce, international : Group of Twenty (G-20) nations; Economy, national : American Recovery and Reinvestment Act of 2009; Economy, national : Consumer Financial Protection Agency, proposed; Economy, national : Financial regulations, modernization efforts; Economy, national : Recession, effects; Health and medical care : Patient Protection and Affordable Care Act; Health Care and Education Reconciliation Act of 2010.

DCPD Number: DCPD201000541.